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Ms. Sharon Alvarado Regulatory Support Manager **Owest Communications Corporation** 1801 California St., 47th Floor Denver, Colorado 80202

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STAFF'S LETTER OF INSUFFICIENCY AND FIRST SET OF DATA REQUESTS RE: TO OWEST COMUNICATIONS CORPORATION DOCKET NO. T-02811B-07-0029

Dear Ms. Alvarado:

On January 16, 2007, Qwest Communications Corporation ("QCC") filed an application to increase the maximum monthly fees associated with various obsolete plans of the Applicant's Arizona Tariff No. 2. The application is not yet sufficient. This data request lists the information Staff needs to complete its analysis of your application. Please consider this as Staff's first set of data requests to QCC in the above-referenced matter.

For purposes of this data request set, the words "QCC", the "Company", "you", and "your" refer to Owest Communications Corporation and any representative, including every person and/or entity acting with, under the control of, or on behalf of Qwest Communications Corporation. For each answer, please identify by name, title, and address each person providing information that forms the basis for the response provided.

These data requests are continuing, and your answers or any documents supplied in response to these data requests should be supplemented with any additional information or documents that come to your attention after you have provided your initial responses.

Please provide Docket Control with the information being requested within 10 days of the date of this letter. Please mail an original plus 13 copies to: Docket Control, Arizona Corporation Commission, 1200 W. Washington Street, Phoenix, Arizona 85007. If no response is received or all deficiencies are not remedied within 30 days, Staff will recommend that the application by terminated pursuant to A.A.C. R14-2-1103(B)3 and A.A.C. R14-2-510(E)3. If the application is terminated, the Applicant cannot provide the same telecommunication services in Arizona for which it is currently applying, until such time as a new application is filed with and approved by the Commission.

Remember that information submitted for a tariff rate increase will be made a part of the public record (including financial statements). Any information designated as confidential will not be accepted by Docket Control. If you have any questions, please contact me at (602) 364-0235. Thank you for your prompt response to this request.

Respectfully,

Candrea Allen

Executive Consultant I Utilities Division

Enclosure(s)

cc: Docket Control Center

STAFF'S FIRST SET OF DATA REQUESTS FOR QWEST COMMUNICATIONS CORPORATION DOCKET NO. T-02811B-07-0029

Please make certain that each numbered item and each part of the item is answered completely. In order for Staff to continue with its review of this application, the following information must be submitted:

- 1. Please provide a statement setting forth the reasons for which a rate increase is required. Refer to R14-2-1110 (B) (1) of the Arizona Administrative Code ("AAC").
- 2. Please indicate the additional revenues to be derived from the proposed rates. Refer to AAC R14-2-1110 (B) (2).
- 3. Please provide an affidavit verifying that appropriate notice of the proposed rate increase has been provided to customers of the services.
- 4. Please indicate the Applicant's fair value rate base in Arizona.
- 5. Please indicate if there is a cost based justification for the rate increase (i.e., is the rate increase necessary to account for a change in your cost)? If yes, please describe the change in your costs. Provide calculations and data to support your cost justification.
- 6. Please submit a schedule of current rates and proposed rates and the additional revenues to be derived from the proposed rates.
- 7. Please provide a copy of the notification you sent to your customers.
- 8. Please indicate your current expenses form Arizona operations.
- 9. Please indicate your current revenues form Arizona operations.
- 10. Please indicate the states that the Applicant offers these services in. Also, please indicate the rates the Applicant charges for these services in those states.